



WEST SUSSEX ALC LIMITED

2nd Floor Sackville House, Brooks Close, Lewes, East Sussex, BN7 2FZ
Company No. 08500937 Registered in England

Minutes of the Annual General Meeting of the West Sussex Association of Local Councils Limited held on Thursday 25th February 2021. Commencing at 10:00am via Zoom

1. **(a) Election of President** – The Vice President, Lord Lytton, advised that the President, Michael Chater, had resigned and that he had been asked to Chair the AGM. He paid tribute to the untiring past service of the out-going President and that the Association had benefitted greatly from his advice, experience, knowledge and good grace. He reported that no nominations had been received for the post of President and that it was a matter for the Members to propose nominations.
(b) Welcome by the President – The Chairman welcomed all to the meeting and asked that any questions be posted via the Zoom chat facility. He recognised that the agenda contained some contentious issues but asked that attendees to be moderate in their language and not criticise any individuals directly. He reminded those attending that only the authorised representatives of their respective local councils may vote. Observers and others may not vote unless a validated proxy had been submitted before the meeting.
2. **Apologies** – none received.
3. **Minutes of the Annual General Meeting held on 3rd October 2019 to be approved and signed.**
The minutes were proposed for approval and signature by Cllr Oliver and seconded by Cllr Bryant. After voting, Members **APPROVED** the minutes and that the Chairman sign them. The votes were 80 in favour, 1 against with 71 abstentions.
4. **Report from the Chairman of West Sussex ALC Limited on the Annual Report for 2019/2020.**
The Chairman invited the WSALC Chairman, Cllr Oliver, to present his report. Cllr Oliver also joined in the tribute to the past President and regretted that he could not persuade him to stay on. The report was noted.
5. **To Adopt the Accounts for the Year Ended 31 March 2020.**
The Company Secretary presented the accounts and, after questions, moved that they be accepted. This was seconded by Cllr Jackson. After voting, Members **APPROVED** the accounts. The votes were 72 in favour, 1 against with 74 abstentions.
6. **To note the current Directors appointed by the District Associations.**
The Chairman referred to the list of WSALC Directors, circulated with the agenda, and advised on the following changes to that list namely:-

- Michael Warden (Arun District Association) – resigned;
- Mike Beal (Chichester District Association) – deselected by the Chichester District Association;
- David Ribbens (Chichester District Association) – deselected by the Chichester District Association;
- Tim Russell (Chichester District Association) – elected by the Chichester District Association;
- Charles Britton (Chichester District Association) – elected by the Chichester District Association;
- Tony Steer (Mid Sussex District Association) – resigned; and
- Mark Mulberry (Company Secretary) – resigned as Director but remains as Company Secretary.

Cllr Nicklen contested the recent actions of the Chichester District Association to deselect Cllrs Beal and Ribbens and elect Cllrs Russell and Britton. He asserted that the AGM called by that Association contravened the terms of the Companies Act. Cllr Nicklen suggested that WSALC must comply with the Companies Act and he advised the meeting of the Chichester District Association of this. He advised them to call an AGM to appoint Directors to WSALC. He suggested the meeting called by the Association was not a formal AGM and therefore any election of Directors would not be valid. The Chairman stated that he would be guided by the Honorary Solicitor and Company Secretary and asked them to comment. The Company Secretary advised that the terms of the Companies Act would not apply to the Association and that they could elect and deselect as they wish. The Honorary Solicitor agreed that the Association must abide by their own rules and not those of the Companies Act. He confirmed that WSALC must accept the Directors appointed by the District Associations. The WSALC AGM need only note the Directors.

The Chairman advised that Cllr Nicklen's points were recorded and that the meeting noted the revised list of Directors.

7. Election of Vice Presidents.

Lord Lytton DL and Dr John Godfrey DL were proposed for re-election. The Chairman advised that, as one of those nominated, it would normally be the case that the President moved to propose the re-election of the Vice Presidents. Given there was no President in attendance, Cllr Oliver proposed the motion and this seconded by Cllr Jackson. After voting, Members **APPROVED** the re-election of Lord Lytton DL and Dr John Godfrey DL as Vice Presidents to WSALC. The votes were 107 in favour, 10 against with 28 abstentions.

8. Election of Representatives to the National Association 2020/2021 will be proposed as follows:

- To elect a representative on the Council of NALC – The Chairman advised that, by convention, it was for the Board to elect the NALC representatives.
- Cllr T Oliver, Cllr M Beal & Cllr L Richardson as voting representatives at the Annual General Meeting of NALC. The Chairman advised that, by convention, it was for the Board to elect the voting representatives at the Annual General Meeting of NALC.

As Chairman of the WSALC Board, Cllr Oliver agreed that this was customary. The Chairman advised the meeting that these nominations were noted.

9. **Any other matters** - The Chairman invited Cllr Oliver to make a statement regarding the special resolutions. He reminded the meeting that only the local council representatives may vote on these resolutions.

Cllr Oliver advised that his statement is made with his personal interpretation of legal advice received and his own understanding of the matters in question. He suggested that, in accordance with section 5.1 of the WSALC Articles of Association, insufficient notice had been given in calling the AGM and that these special resolutions were not legitimate. However, he recognised that it would be a matter for the Chairman to decide if the AGM would allow these special resolutions.

The Chairman advised that he was minded to seek the views of the meeting but would adjourn proceedings to take the relevant advice.

10:52am – the meeting was adjourned.

10:59am – the meeting resumed.

The Chairman reconvened the meeting and reported that, following advice, he would propose to the meeting that voting representatives decide that special resolutions at 9.1 and ordinary resolution at 9.2 be allowed. This was seconded by Cllr Hind. After voting, Members **APPROVED** that the special resolutions at 9.1 and ordinary resolution at 9.2 be allowed. The votes were 121 in favour, 5 against with 3 abstentions. The Chairman allowed questions from representatives.

Cllr Eastwood paid tribute to the SSALC CEO and officers for their excellent service over the past years and wanted to record his thanks and those from local councils attending the AGM. The Chairman was grateful for these comments.

Cllr Cooper questioned the validity of the AGM making decisions on items 9.1 and 9.2 given they may be subject to a future legal challenge. The Honorary Solicitor advised that any challenge would need to come from the WSALC Board.

Cllr Oliver reiterated his concerns regarding the validity of these resolutions as they are not in accordance with sections 5.1 and 5.2 of the WSALC Articles of Association. With regard to the resolutions he advised that :-

- 9.1.1 - On 22nd February 2021, the service agreement with the Hampshire ALC was agreed by the WSALC Board. This information was sent to member councils;
- 9.1.2 - he is in contact with the East Sussex ALC, has held two Zoom meetings with them and has drafted a Memorandum of Understanding promoting a close and collaborative working relationship between the two County Associations; and
- 9.1.3 – it is not for this AGM to determine the election of Chairman and Vice Chairman. This is a matter reserved to the Board of Directors.

Cllr Bangert asked if the proposed amendments to the service agreement with the Hampshire ALC had been agreed. She also criticised the Board's lack of communication with the member councils. Cllr Oliver reported that these final amendments had not been agreed to date. He also stated that it was always the intention of the WSALC Board to allow the member councils to decide on the

Value for Money review. However, as the Surrey ALC had resigned from the SSALC arrangement as from 31st March 2021, the WSALC Board had no option to press ahead and secure a service provider as from 1st April 2021. He referred to section 5.1. of the Articles of Association and reminded those attended that any 25 member councils could have invoked section 5.1. to convene an extraordinary meeting anytime from July 2020. This had not been so invoked. He also regretted the personal animosity from certain member councils to the Board, but it was the fiduciary duty of the WSALC Directors to seek best value for the member councils.

The Chairman advised that he would now move to the votes.

9.1 Special Resolutions - to be voted upon in accordance with the articles of association para 5.1 and Companies Act 2006 Section 283.

The following resolutions were voted on as special resolutions only: -

1. The Parish Councils of West Sussex instruct the Directors of WSALC as a Special Resolution not to purchase governance services from the Hampshire Association of Local Councils. The resolution was proposed by Cllr Hind and seconded by Cllr Tait. After voting, Members **APPROVED** the special resolution at 9.1.1. The votes were 136 in favour, 7 against with 6 abstentions.
2. The Parish Councils of West Sussex instruct the Directors of WSALC as a Special Resolution to work with the East Sussex Association of Local Councils to re-establish a Sussex Association and to receive joint governance arrangements through a single service. The resolution was proposed by Cllr Beaton and seconded by Cllr Stafford. After voting, Members **APPROVED** the special resolution at 9.1.2. The votes were 138 in favour, 3 against with 8 abstentions.
3. The Parish Councils of West Sussex instruct the Directors of WSALC as a Special Resolution to appoint a new Chairman and Vice Chairman of WSALC. The resolution was proposed by Cllr Beaton and seconded by Cllr Stafford. After voting, Members **APPROVED** the special resolution at 9.1.3. The votes were 134 in favour, 2 against with 9 abstentions.

9.2 Ordinary resolutions - per the Companies Act 2006 these need to be voted and passed by 50% of the membership present at the meeting and entitled to vote.

The Chairman advised that he was aware that Cllr Beal had been de-selected by the Chichester District Association as a Director to WSALC and therefore could no longer be their Vice Chairman. He was also mindful of the legal challenge as noted at agenda item 6. However, the meeting had decided, with the resolution at 9.1, that ordinary resolution 9.2 could proceed. He invited Cllr Oliver to make a statement.

Cllr Oliver stated that :-

- he had advised the WSALC of his future retirement plans and it would be his intention to not attend the next WSALC Board meeting;
- the resolution at 9.2 was invalid. He referred to section 168 of the Companies Act which describes a strict process and procedure to remove a standing Director. He suggested that insufficient notice had been given and that this resolution was therefore invalid;

- Board Directors were entitled to receive a personal notice of any proposed removal from office. He suggested that no notice had been given and that this resolution was therefore invalid.;
- The resolution was composite to remove multiple Directors and that there should be a resolution for each Director to allow them the opportunity to defend their position; and
- The Company Secretary did not have the authority of the WSALC Board to act independently. The Board did not give the Company Secretary any instruction to add this resolution to the agenda. He did recognise that it was the right of the Chairman to ask the AGM to move the motions.

The Chairman advised that there was a clear and unequivocal wish of the meeting to vote on resolution 9.2.1 and he must give effect to this. If there is a legal defect relating to the validity of the resolution, then this is a matter for the AGM to bear in mind, not the Chair who cannot give legal advice. The Honorary Solicitor agreed and stated that, as before, it is for the AGM to decide, but the WSALC Board may choose to challenge this decision later. The Chairman moved to vote on the resolution.

1. That Terry Oliver and Michael Beal be removed from office as directors of the Company with immediate effect 25th February 2021. The resolution was proposed by Cllr Beaton and seconded by Cllr Stafford. After voting, Members **APPROVED** the special resolution at 9.1.3. The votes were 130 in favour, 5 against with 16 abstentions.

The Chairman advised that this concluded the AGM and thanked all for attending. He reminded those attending that the WSALC Board had spent a considerable amount of time preparing for the best value review and that it should not be assumed they were acting in bad faith. He paid tribute to their hard work to date. He stressed the need for local democracy with a clear focus and objective to (a) the democratic process including representation at NALC and (b) how services are procured; both were important.

In closing, the Chairman reminded member councils that, as Vice President, both he and Dr John Godfrey stood ready to assist where needed.

The meeting closed at 12:05pm.